



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH

KEITH W. COOLEY  
DIRECTOR

# Memorandum

**DATE:** February 19, 2008

**TO:** Bob Emerson, State Budget Director

Senator Mark C. Jansen, Chair  
Senate Appropriations Subcommittee on Economic Development

Representative Richard E. Hammell, Chair  
House Appropriations Subcommittee on Economic Development

**FROM:** Allan R. Pohl, Director  
Finance and Administrative Services Bureau

**SUBJECT:** FY07 Performance Report

Attached, please find DLEG's Program Performance Report for FY07.

The CD is made up of individual Program files that track to our FY08 Appropriations Bill – PA 118 of 2007.

Section 222 requires us to report at a minimum:

1. THE PROGRAM REVIEW PROCESS  
DLEG employees are continually reviewing processes in an effort to improve services to customers and reduce costs. Programs have been required to report on their performance going back to around 1996 for most areas.
2. TYPES OF IMPROVEMENT MECHANISMS IMPLEMENTED  
See Individual Reports Attached
3. ACTUAL AND PROJECTED EXPENDITURE SAVINGS AS A RESULT OF THE INCREASED PROGRAM EFFICIENCIES  
We will insure programs implement this in our September 30, 2008 Annual Report.

# 3 cont.:

We can however report the following:

Inflation since 2002 has increased 15% (<http://data.bls.gov/cgi-bin/cpicalc.pl>).

- DLEG Direct Operating Costs in FY02: \$475,535,234. In today's dollars: \$546,865,519  
(calculated as CIS plus DCD + or- programs transferred in or out via EO)
- DLEG Direct Operating Costs in FY07: \$459,007,083. A decrease of \$16,528,151 over FY02.
- **ADJUSTED FOR INFLATION, DLEG's Direct Operating Costs have been reduced by \$87,858,436 or 16%.**

We hope these reports meet with your approval. If you have any questions, I can be reached at 335-1976.

Attachment

Cc: Keith W. Cooley  
Susan Corbin  
Mark Wolf, House Fiscal Agency  
Maria Tyszkiewicz, Senate Fiscal Agency